

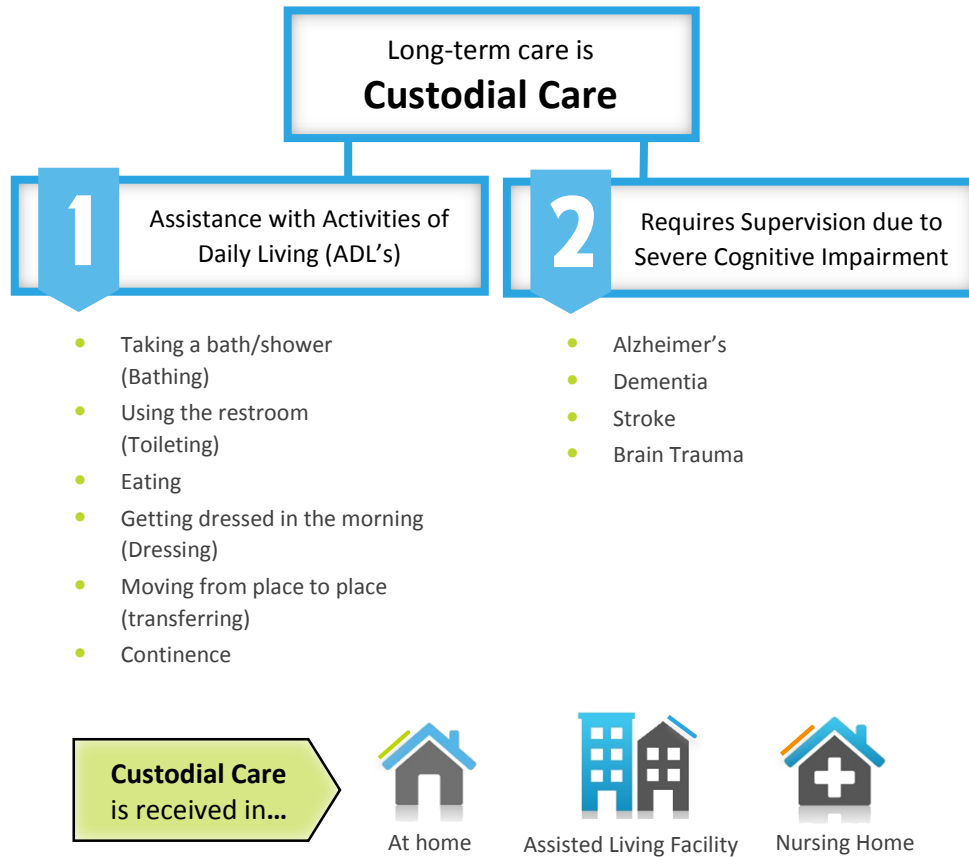
LONG-TERM CARE BASICS

What is long-term care?

The need for long-term care is a life-changing event and will disrupt the plans you have created to secure a sense of financial well-being moving into the future.

The definition of long-term care is custodial care received in an assisted living facility, a nursing home or in your own home should you end up with a physical impairment¹ and need assistance with two out of the six Activities of Daily Living and/or suffer from a severe cognitive impairment.²

Some common reasons you may need this type of care are due to an accident (such as a car accident or injury), illness (such as cancer), aging, or a cognitive impairment (such as Alzheimer's, dementia, or effects of a stroke). Without a strategy to pay for this kind of care, it may have irreversible emotional, physical and financial consequences for your loved ones.



¹A physical impairment is created by chronic medical conditions, defined as an illness that can be managed with therapy or medication but cannot be cured by either

²A cognitive impairment is defined as a measurable decline in one's intellect to the extent that the individual is also compromised.

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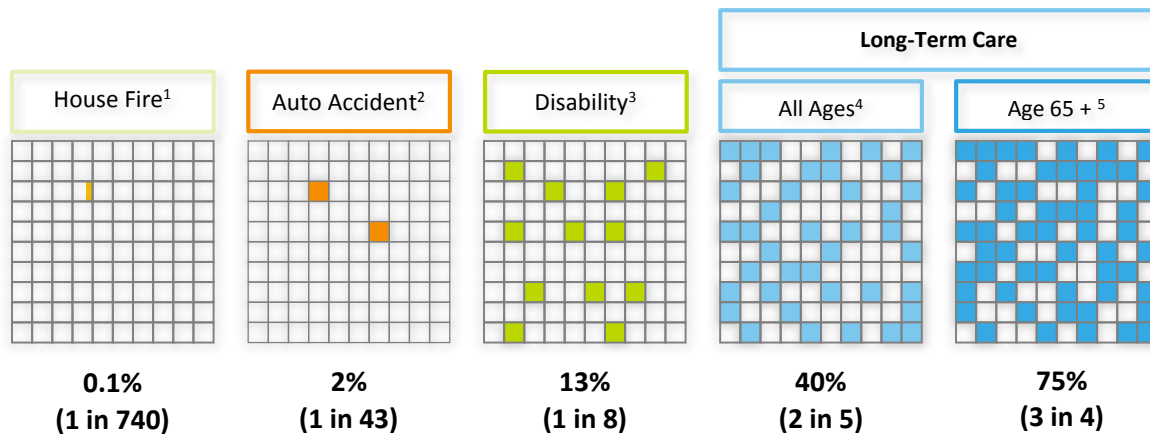
Why do people need long-term care?

People can need long-term care services as a result of illness, injury due to accidents (sporting/automobile) or aging. Some of the most common include:

ILLNESS	INJURY <i>(due to accidents)</i>	AGING
Cancer	Bone Fractures	Natural Aging
Stroke	Spinal Cord Injuries	Alzheimer's
Heart Disease	Brain Trauma	Dementia

What is my risk for needing long-term care?

The chances your home may be lost to a fire, the risk of an auto accident, and the likelihood of using disability insurance, are heavily outweighed by the risk of needing long-term care services. If the risk of needing long-term care is greater than all other insurance incidents, why would you handle the risk of long-term care any differently than you have handled the others?



¹ Karter, Michael J., Fire Loss in the United States during 2004, National Fire Protection Association.

² Bureau of the Census Data, 2000 and 2000 data collected from the federal Highway Administration, November 2001

³ US Department of Health and Human Services. "National Clearinghouse for Long Term Care Information." 2011.

⁴ Long-Term Care. AHRQ Focus on Research. AHRQ Pub No. 02-M028, March 2002. Agency for Healthcare Research & Quality

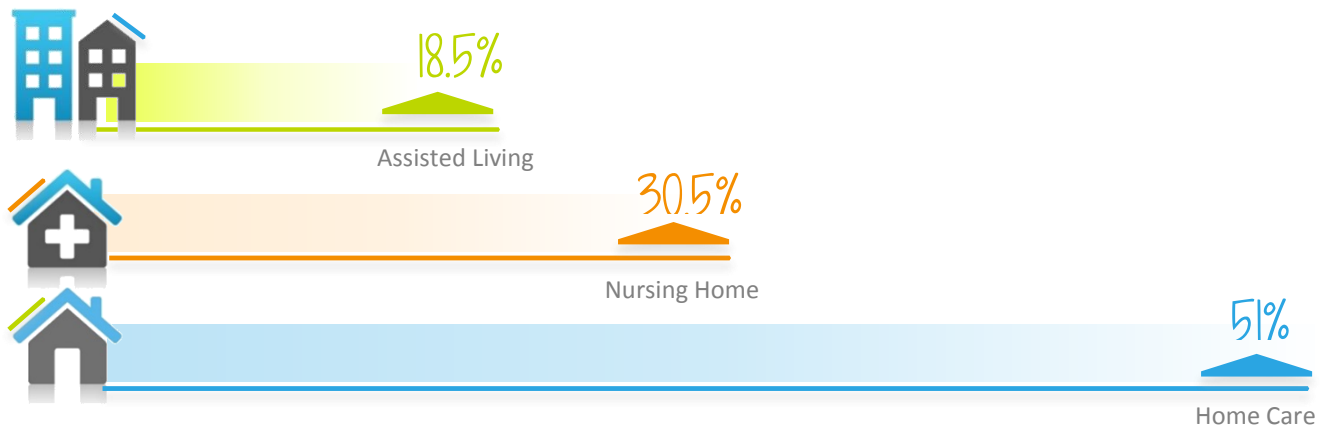
⁵ US Department of Health and Human Services. What is Long-Term Care? 2009.

LONG-TERM CARE BASICS

Where is long-term care provided?

Care can be received at home, in an assisted living facility or a nursing home. Most people buy a policy to receive care in their home. LTC insurance gives you the choice of where you would like to receive care. This kind of flexibility is important, especially because most people consider a nursing home a last resort.

Where Newly Opened Claims Begin¹



¹ American Association for Long-Term Care Insurance. The 2014 Sourcebook for Long-Term Care Insurance Information.

What is long-term care insurance?

Long-term care insurance is designed exclusively to cover the costs associated with long-term care services.

- It is a predictable income stream that can be used to pay for care. The income generated by a long-term care insurance policy is used to *fund* your LTC strategy.
 - You're less likely to reallocate income that you are counting on for the future (investments, pension and/or social security)
 - You can keep financial obligations because your cash flow is preserved
- Receiving care in your home, an assisted living facility or a nursing home are all options with LTC insurance policies.
- Owning a policy allows you to choose a facility/licensed care professional that you may otherwise not be able to afford.